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UNCLAS ZAGREB 002408

SIPDIS

SENSITIVE

STATE FOR EB/ES/TSP, IO/PHO AND L/EB
TREASURY FOR ZARATE AND WALLWORTH

E.O. 12958: N/A

TAGS: [EFIN](#) [PREL](#) [IZ](#) [HR](#)

SUBJECT: IRAQI ASSETS: CROATIA PLANS TO TRANSFER FROZEN
ASSETS TO DEVELOPMENT FUND FOR IRAQ

REF: A. STATE 291321
[B](#). STATE 196163

SENSITIVE BUT UNCLASSIFIED -- PLEASE HANDLE ACCORDINGLY.

[1](#)1. (U) IN RESPONSE TO REFTTEL A, THE MFA AND THE MINISTRY OF FINANCE'S FINANCIAL INTELLIGENCE UNIT REPORTED THAT THE REFERENCED BANK ACCOUNT AT PRIVREDNA BANK HAD BEEN LOCATED. THE ACCOUNT, UNDER THE NAME OF THE CENTRAL BANK OF IRAQ, HAS APPARENTLY BEEN FROZEN SINCE 1991 UNDER UNSCR 661. IN RESPONSE TO OUR REQUEST AND UNSCR 1483, THE GOC IS REQUESTING THAT A JUDGE ORDER PRIVREDNA BANKA TO TRANSFER THE MONEY TO THE DEVELOPMENT FUND FOR IRAQ. THIS SHOULD OCCUR NEXT WEEK, AND OUR CONTACTS DO NOT ANTICIPATE ANY PROBLEMS.

[1](#)2. (SBU) WHILE WE WELCOMED THIS NEWS, WE QUESTIONED WHY THE ACCOUNT HAD NOT BEEN IDENTIFIED DURING THE INITIAL SEARCH FOR IRAQI ASSETS, REFTTEL B. OUR FIU CONTACT WAS UNSURE, BUT SAID THAT THE ACCOUNT HAD BEEN TRANSFERRED INTERNALLY AND PLACED IN A SPECIAL STATUS BY THE BANK AFTER ITS 1991 SEIZING, AND MAY THEREFORE HAVE BEEN MISSED.

[1](#)3. (SBU) POST NOTES THAT UNSCR 1463, PARA 23 (A) ONLY MAKES A GENERAL REFERENCE TO GOVERNMENT OF IRAQ ENTITIES, WHILE PARA 23 (B) LISTS SPECIFIC INDIVIDUALS. ACCORDING TO THE UNSC PRESS RELEASE DATED JULY 2, "(A) LIST OF ENTITIES TO BE IDENTIFIED PURSUANT TO PARAGRAPHS 19 AND 23 OF SECURITY COUNCIL RESOLUTION 1483 (2003) WILL BE ISSUED AT A LATER STAGE, AND WILL BE INCLUDED TOGETHER WITH THE LIST OF INDIVIDUALS IN A CONSOLIDATED LIST OF THE COMMITTEE." IT APPEARS THAT THIS LIST OF IRAQI STATE ENTITIES WAS NEVER POSTED. WHILE THE CENTRAL BANK OF IRAQ OBVIOUSLY QUALIFIES AS A STATE ENTITY UNDER UNSCR 1483'S PARA 23 (A), OTHER ENTITIES MAY NOT BE AS OBVIOUS. THE VARIOUS BANKS IN CROATIA MAY ALSO HAVE CONCENTRATED ON THE LIST OF NAMES PROVIDED BY THE GOC FOR SEIZURE, RATHER THAN THE VAGUELY WORDED REFERENCE TO IRAQI STATE ENTITIES. TO ENSURE THAT ALL IRAQI ASSETS ARE IDENTIFIED, IT WOULD BE USEFUL IF A LIST, EVEN PARTIAL, OF STATE ENTITIES, WERE ISSUED BY THE UNSCR COMMITTEE. WE WOULD THEN ASK THE GOC TO CONDUCT A SECOND, MORE THOROUGH, SEARCH.
FRANK

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